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STATE FOR EAP/TC STATE PASS USTR FOR STRATFORD AND ALTBACH, TREASURY FOR OASIA/WINSHIP AND PISA, NSC FOR LOI, COMMERCE FOR 4431/ITA/MAC/AP/OPB/TAIWAN

E.O. 12958: DECL: 06/15/2019

TAGS: PREL PGOV ECON EFIN ETRD TW CH

SUBJECT: TAIWAN VISIT OF PRC OFFICIAL LAYS GROUNDWORK FOR
JULY KMT-CCP FORUM

Classified By: Economic Chief Hanscom Smith for reasons 1.4 (b) and (d) .

- $\P1$. (C) The KMT announced on June 10 that the fifth round of the Cross-Strait Economic and Cultural Forum (aka the KMT-CCP Forum) will be held in Changsha on July 10-11. Senior officials of the KMT's National Policy Foundation (NPF) and Zheng Lizhong, Deputy Director of the PRC's Taiwan Affairs Office (TAO), set the agenda for the Forum during a June 10 meeting in Taipei. The two sides agreed on three topics for discussion at the Forum: the preservation and innovation of Chinese culture, promotion of cross-Strait culture-related industry, and the expansion of cross-Strait cooperation on educational exchange. In addition, the Forum will include a symposium on cross-Strait economic and trade exchange. An NPF contact suggested that there would also be discussion related to climate change and alternative energy. A total of approximately 400 PRC and Taiwan Scholars and experts (200 from each side) are slated to attend the Forum. Outgoing KMT Chairman Wu Poh-hsiung will head the KMT delegation, and KMT Deputy Secretary Chang Jung-kung told us that Honorary KMT Chairman Lien Chan will also participate.
- 12. (C) Zheng Lizhong, leading a six-person delegation, arrived in Taiwan at noon on June 10 and was hosted at a banquet by Straits Exchange Foundation (SEF) Chairman P.K. Chiang on the same day. During his visit, Zheng was also scheduled to have meetings or meals with other leaders, including Honorary KMT Chairman Lien Chan, People First Party Chairman James Soong, and Taichung Mayor Jason Hu. In addition to Taipei, Zheng traveled to other areas, including Yilan County and central and southern Taiwan, to gain greater understanding of Taiwan and insight into private sector views on implementation of direct cross-Strait air, shipping and postal links.
- 13. (C) Chang Jung-kung told us that Zheng's schedule was not being publicly released in order to avoid incidents or demonstrations such as those PRC Association for Relations Across the Taiwan Strait (ARATS) Vice President Zhang Mingqing encountered in Tainan last October. Zheng wanted to get out and see Taiwan after having been cooped up in his hotel during his previous visit, and was hoping to meet with some moderate DPP figures, Chang noted. Among other places,

Zheng would be visiting Taichung, Sun Moon Lake, Chiayi, Tainan, and Kaohsiung, from where he would be flying back to China. Chang said he had to turn down one of Zheng's requests — to visit at crowded night market in Taipei — in order to avoid the possibility of an incident.

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